



# House of Representatives

General Assembly

**File No. 26**

January Session, 2005

Substitute House Bill No. 6589

*House of Representatives, March 10, 2005*

The Committee on Energy and Technology reported through REP. FONTANA of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE CONNECTICUT SITING COUNCIL.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16-50j of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective from*  
3 *passage*):

4 (a) There is established a "Connecticut Siting Council", hereinafter  
5 referred to as the "council", which shall be within the Department of  
6 Public Utility Control for administrative purposes only.

7 Sec. 2. Subdivision (2) of subsection (b) of section 16-50v of the  
8 general statutes is repealed and the following is substituted in lieu  
9 thereof (*Effective from passage*):

10 (2) As used in this subdivision, "communications services" means  
11 services involving transmitting or receiving signals in the  
12 electromagnetic spectrum for a public or commercial purpose

13 pursuant to a Federal Communications Commission license. Before  
14 December thirty-first of each year, the council shall review the  
15 anticipated amount of administrative expenses attributable to facilities  
16 used for providing communications services for the next fiscal year,  
17 excluding expenses under subsection (c), (d), (e), (g) or (h) of this  
18 section, at a public meeting, notice of which shall be given to each  
19 person subject to assessment under this subsection, and at which  
20 interested persons shall be heard. After the meeting, the council shall  
21 determine the anticipated amount of such expenses and submit its  
22 determination to the joint standing committee of the General Assembly  
23 having cognizance of matters relating to appropriations and the  
24 budgets of state agencies. The council shall apportion and assess the  
25 anticipated amount of expenses equitably in proportion to the  
26 [frequency of appearance, the degree of regulation required and the]  
27 percentage of the council's [workload] direct costs, among those  
28 persons which provide communications services and other persons  
29 which have provided communications services facilities and have  
30 come before the council in the preceding calendar year. Each such  
31 person shall pay the assessment and submit a return, on a form  
32 prescribed by the council, to the council in four equal installments, on  
33 or before July 1, 1994, and July thirty-first of each year thereafter,  
34 October 31, 1994, and October thirty-first of each year thereafter,  
35 January 31, 1995, and January thirty-first of each year thereafter, and  
36 April 30, 1995, and April thirtieth of each year thereafter. The council  
37 shall transfer all payments received pursuant to this section to the  
38 Treasurer who shall credit such payments to the Siting Council Fund.  
39 Such payments shall be considered administrative expenses recovered  
40 from communications services providers.

41 Sec. 3. Section 16-50v of the general statutes is amended by adding  
42 subsection (i) as follows (*Effective October 1, 2005*):

43 (NEW) (i) An assessment or other charge billed by the council after  
44 January 1, 2006, as authorized in this chapter, that remains unpaid  
45 thirty days after the due date shown on the council's invoice shall,  
46 except for an unpaid assessment described in subsection (e) of section

47 16-50r, be subject to a penalty at the rate of one and one-half per cent  
48 per month against invoiced amounts or any portion of invoiced  
49 amounts not received by the council.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	16-50j(a)
Sec. 2	<i>from passage</i>	16-50v(b)(2)
Sec. 3	<i>October 1, 2005</i>	16-50v

***Statement of Legislative Commissioners:***

In section 2, the phrase "those others" was changed to "other persons" for consistency.

***ET***            *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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### ***OFA Fiscal Note***

#### ***State Impact:***

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
Siting Council, CT	Connecticut Siting Council Fund - Revenue Gain	16,688	33,375
Siting Council, CT	Connecticut Siting Council Fund - Net Impact	Potential Minimal	Potential Minimal

#### ***Municipal Impact:***

<b>Municipalities</b>	<b>Effect</b>	<b>FY 06 \$</b>	<b>FY 07 \$</b>
All Municipalities	Savings	Potential Minimal	Potential Minimal

### ***Explanation***

The bill subjects assessments or charges billed by the Siting Council after January 1, 2006 that are not paid within 30 days after the due date on the invoice to a penalty of 1.5% per month. In FY 04, the Siting Council received \$1,193,418 in assessments, \$688,539 of such assessments were on average 1.5 months late. In FY 04, the Siting Council invoiced approximately \$570,018, and \$423,954 of such invoices were on average 2 months late. Assuming that a comparable amount of assessments and invoices are received at least 30 days late after January 1, 2006, the Siting Council could experience a revenue gain of approximately \$16,688 in FY 06, and \$33,375 in FY 07.

The bill also extends the assessment to cover companies that provide facilities for communication services. This extension would affect approximately five additional communication tower builders. Since the communication tower builders would share a portion of the assessment burden, other telecommunication companies' burden

would be reduced. However, the overall savings for other telecommunication companies would be minimal, and therefore, any savings to the state and municipalities as ratepayers would also be minimal.

Furthermore, the bill places the Siting Council within the Department of Public Utility Control (DPUC) for administrative purposes only. Currently, the Siting Council handles most of its own fiscal matters, while DPUC handles most of the council's personnel matters. It is uncertain as to the shift of resources that will occur as a result of the bill. However, any cost incurred as a result of placing the council within the DPUC for administrative purposes only is anticipated to be minimal.

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**OLR BILL ANALYSIS**

sHB 6589

***AN ACT CONCERNING THE CONNECTICUT SITING COUNCIL*****SUMMARY:**

By law, the Connecticut Siting Council is funded in part by assessments on the companies whose facilities it regulates. This bill broadens the types of assessments that are subject to an interest penalty if not paid on time. By law, the assessment on electric industry companies for certain investigations is subject to a penalty of 1.25% per month if not paid on time. The bill subjects any other assessment or charges billed by the council after January 1, 2006 that is not paid within 30 days after the due date on the invoice to a penalty of 1.5% per month.

The bill also broadens the types of companies that are subject to assessment on the telecommunications industry and changes how the assessment is allocated among them. Currently, this assessment applies to companies that provide communication services. The bill extends the assessment to cover companies that provide communication services facilities (e.g., communication tower builders). Under current law, the assessment is allocated among affected companies based on the frequency of appearances before the council, the degree of regulation required, and the percentage of the council's workload attributable to the company. The bill instead allocates the assessment based on the percentage of the council's direct costs attributable to each company.

Under current law, the council is within the Department of Public Utility Control. The bill instead places the council within the department for administrative purposes only. This means the council can prepare its own budget and submit it through the department, hire its own personnel, and enter into contracts.

**EFFECTIVE DATE:** October 1, 2005 for the late fee, upon passage for the remaining provisions.

**COMMITTEE ACTION**

Energy and Technology Committee

Joint Favorable Substitute

Yea 14      Nay 0